

# TO STUDY THE IMPACT OF SWADESHI IN THE CONTEXT OF CONSUMER ETHNOCENTRISM IN WELLNESS SECTOR USING SEM FOR PUNE CITY

Harshada Raut, MIT-ADT University, Pune  
Chhabi Sinha MIT-ADT University, Pune

## ABSTRACT

*The wellness market in India had a paradigm shift in the first two decades of the 21<sup>st</sup> century. The spiritual leaders had impacted the Indians, by making spirituality as the pathway to enter the market with their wellness products. Also the MNCS were taking a backseat and the indigenous companies were acing the market race. There was a need to analyze this changed behavior of Indian consumer. It was also a need to understand the factors behind the Ethnocentrism. Patriotism, Collectivism, Conservatism, Ethnicity and Xenophobia were some of the identified factors responsible for ethnocentric behavior. To measure the ethnocentrism among consumers CET scale has been used. This is the scale evolved out of enormous studies. It has 17 questions and is linked with various factors mentioned above. This study is carried Wellness sector sample size of 250 respectively has been surveyed.*

*The hypotheses were formulated through literature review and pilot study. The data was analyzed through of SPSS. The structural equation modeling was used to establish the relationships between the independent and dependent variables.*

*From the study it was understood that consumers use indigenous brands more. For the wellness sector the “Ayurveda” contents of the products are liked more. There is a significant impact of Spiritual leaders and Patriotic promotion on them. Also the consumers under surveyed were found to be ethnocentric. It can be said that “Patriotism”, “Collectivism”, “Conservatism Ethnicity” and “Xenophobia” are the factors that make the consumer ethnocentric. Has a significant relationship with consumer purchase and Patriotism is the intermediating factor for this relationship. These ethnocentric consumers show a liking for the “Swadeshi Brands”.*

**Keywords:** Consumer, Ethnocentrism, Collectivism, Conservatism Swadeshi, Xenophobia.

## BASIC CONCEPTS

### Swadeshi

The dictionary meaning of the word “Swadeshi” is “(Of manufactured goods) made in India from materials that have also been produced in India”. Swadeshi actually means “being independent, self-sufficient & being loyal to our country”. If we consider word “Swadeshi”, “swa” in Sanskrit means “own” and meaning of “Desh” is “country”, also “I” in the last of word denotes adjectival. “swadesh” states “one’s own country”, whereas “swadeshi”, “pertaining to one’s own country” (Adivesha, 2012). For the study the “Swadeshi” means the indigenous, home manufactured and grown products. Even using the aforesaid ideology to promote the brands is the scope of the term “Swadeshi”. The promotion has coverage of branding too Dua (2022).

“*Swadeshi*” term is especially an Indian term and has resemblance with “*Consumer Ethnocentrism*” used world-wide.

## Wellness

“*As the active pursuit of activities, choices and lifestyles that lead to a state of holistic health are defined by Global Wellness Institute*”. This ensures that wellness would not be unreceptive state either stationary state but is an “*active pursuit*” pertaining to objectives, varieties and engagements. Wellness is all-inclusive health means not only physical health but also has mental and societal dimensions. It is a personal approach but physical, social and cultural environments ominously influenced. It is muddled only with wellbeing, health or happiness Chakraborty (2022).

## Consumer Ethnocentrism

It is a psychosomatic terminology used to describe “*how consumers purchase products based on country of origin*” (Shimp & Sharma, 1987). Ethnocentric consumers feel it is unethical, and immoral, to buy products from other countries. Also they view their group as grander to others (Netemeyer et al., 1991; Shimp & Sharma, 1987). Buying international products is viewed as inopportune as it costs hampers the economy and our people to lose jobs. Consuming foreign products is thought to be unpatriotic (Klein, 2002; Netemeyer et al., 1991; Sharma et al., 1995; Shimp & Sharma, 1987).

## The Cetscale

Shimp and Sharma have coined the concept of CET. It pronounced “*the tendency of the consumers to differentiate between products of (made in foreign) and (home country) based on quality, price or desired features*”. Consumers favor the home grown products with a view to build economy (Sharma, 2011).

## RESEARCH METHODOLOGY

### Research Objectives

1. To understand the meaning of “*Swadeshi*” for Indian consumers.
2. To correlate the concept of “*Swadeshi*” with the “*consumer ethnocentrism*”.
3. To study the factors contributing for the ethnocentric behavior amongst the consumers,
4. To understand preferences of ethnocentric consumers towards the “*Swadeshi Brands*”.

### Hypothesis

- H<sub>1</sub>:** *Consumers are ethnocentric so they prefer Swadeshi Products.*
- H<sub>2</sub>:** *Consumers are patriotic so they are ethnocentric*
- H<sub>3</sub>:** *Consumers nurture collectivism so they become ethnocentric.*
- H<sub>4</sub>:** *Consumers are conservative so they become ethnocentric.*
- H<sub>5</sub>:** *Consumers nurture ethnicity so they are ethnocentric.*

**H<sub>6</sub>:** *Consumers are xenophobic and so they are ethnocentric.*

## Sampling Methods

Purposive and Convenience which are non-probability sampling methods have been used for this research work by the researcher. A purposive sampling method has been used to ensure representative sampling selecting a sub-group dedicatedly of female samples to study the consumer behavior for Wellness products only.

The entire sample is homogenous in nature and this method is very useful for the research work as it is less expensive, less time taking and the sample selections are based on the judgment of the researcher. The second sampling method used is Convenience sampling method to easily select the sampling units so that the researcher should have convenience such as easy availability of information and sampling unit's nearness. Hence as per the above reasons these two sampling methods have been used by the researcher.

## Reliability

*“Reliability is the quality of the scale to perform consistently well. It is the extent to which the scale is trust worthy and is able to produce similar results if administered on several occasions. For latent variables it is the extent to which the indicators gell well while define the underlying construct, Reliability is confirmed using Cronbach’s alpha. Cronbach’s alpha is a statistical measure of internal consistency. It is measure of internal consistency among items of a construct. Alpha score above 0.7 indicates reliability. In the current case all construct has reliability score above 0.7. Hence reliability is supported Table 1.”*

<b>Construct</b>	<b>No. of Items</b>	<b><math>\alpha</math> score</b>
Xenophobia	3	0.720
Collectivism	4	0.769
Conservatism	4	0.793
Patriotism	4	0.781
Consumer preference	8	0.700

## Validity Test

*“Validity is the ability of the instrument to produce accurate results. It is the extent to which the scale/instrument measures what it is supposed to measure. Validity is quality assessment of a measurement instrument. If a scale is not validated or is not valid the results are doubtful and incorrect. In the current study, convent validity ratio and content validity Index suggested by Lawshe (1975) is used to compute validity index and confirm validity. It is an essential method for gauging agreement among experts regarding how essential a particular item is Lawshe (1975) proposed that each expert will respond to each item using a 3-point scale: “essential”, “useful but not essential”, or “not necessary”. According to Wilson et al. (2012) who recalculated the critical values of Lawshe’s Content Validity Ratio, a CVR value of 0.741 and above (for  $\alpha=0.05$  and a two-tailed test, and 7 experts) is an indication of validity of an*

instrument. Following table shows responses from seven experts to all seven variables under study Venkataraman (2022). All experts perceived the content of the question and response options to each question of the variable ESSENTIAL (hence CVR is 1) except for three variable, wherein, the expert found the contents NOT NECESSARY, hence the CVR was 0.75, the overall Content Validity Index is 0.892, which is above the required threshold 0.741, hence validity of the instrument/ questionnaire is supported Tables 2 & 3.

<b>Table 2</b>
<b>VARIABLES UNDER STUDY</b>
<b>VARIABLES</b>
1: Patriotism
2: Xenophobia
3: Conservatism
4: Collectivism

<b>Table 3</b>								
<b>CONTENT VALIDITY RATIO AND CONTENT VALIDITY INDEX</b>								
<b>Variable</b>	<b>Expert1</b>	<b>Expert2</b>	<b>Expert3</b>	<b>Expert4</b>	<b>Expert5</b>	<b>Expert6</b>	<b>Expert7</b>	<b>CVR</b>
V1	x	x	x	x	X	x	x	1
V2	x	x	x	x	X	x	x	1
V3	x	x	x	x	X	x	x	1
V4	x	x	x	NN	X	x	x	0.75
V5	x	x	x	x	X	x	x	1
V6	x	x	x	x	NN	x	x	0.75
V7	NN	x	x	x	X	x	x	0.75
							<b>CVI</b>	<b>0.89</b>

$$CVR = \frac{n_e - \frac{N}{2}}{\frac{N}{2}}$$

$n_e$  = number of experts saying Essential,  $N$  = number of experts

CVI (content validity index) is the average of CVRs

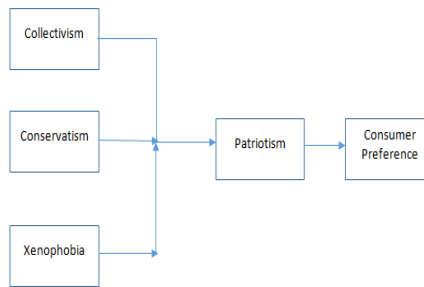
X=ESSENTIAL, NN=Not Necessary

## DATA ANALYSIS

### Assessing the Path Model

One of the prime objectives of the study is to mathematically validate the hypothetical model. There are five independent variables Spiritual leaders, Collectivism, Conservatism,

Xenophobia, and Swadeshi Movement. There is one mediating variable Patriotism and one dependent variable and Consumer Preference.



**FIGURE 1  
PATH MODEL-WELLNESS**

Figure 1 is a model that reveals the direct and indirect linkages. Through this model it is hypothesized that:

1. Collectivism, Conservatism, Xenophobia and Swadeshi Movement will have a positive impact on Patriotism.
2. Collectivism, Conservatism, Xenophobia and Swadeshi Movement will have a positive impact on Consumer Preferences.
3. Patriotism will mediate the relationship between Collectivism, Conservatism, Xenophobia and Swadeshi Movement and Consumer Preferences.

**Hypotheses**

- H<sub>1</sub>: Collectivism is a positive predictor of patriotism.*
- H<sub>2</sub>: Xenophobia is a positive predictor of patriotism.*
- H<sub>3</sub>: Collectivism is a positive predictor of Consumer Preferences.*
- H<sub>4</sub>: Conservatism is a positive predictor of Consumer Preferences.*
- H<sub>5</sub>: Xenophobia is a positive predictor of Consumer Preferences.*
- H<sub>6</sub>: Patriotism mediates the relationship between Collectivism and Consumer Preferences, Xenophobia and Consumer Preferences, Conservatism and Consumer Preferences.*
- H<sub>7</sub>: Patriotism is a positive predictor of Consumer Preferences.*

**Assessing the Model Fit**

Table 4 ASSESSING THE MODEL FIT			
Fit indices	Observed	Criteria of acceptable fit	Result

CMIN/DF (Minimum discrepancy as indexed chi-square)	0.476	Less than 5	Good fit
CFI (Comparative fit index)	1	More than 0.9 for good fit, between 0.9 to 0.8 for borderline fit	Good fit
GFI (Goodness of fit index)	0.999		Good fit
AGFI (Adjusted Goodness of Fit)	0.983	More than 0.5	Good fit
RMSEA (Root Mean Square error of approximation)	0	Less than 0.08 for adequate fit, between 0.08 and less than 0.1 for borderline fit	Good fit

From the Table 4, it is seen that five fit indices have been used to study how well the hypothetical fits the sample data.

All the fit indices suggest a good fit between hypothetical model and the sample data Table 5.

### Path analysis for Wellness Sector

Dependent variable	Path	Independent variable	Regression weight	S.E.	C.R.	P	Label
Patriotism	←	Collectivism	0.341	0.08	4.42	***	Sig.
Patriotism	←	Xenophobia	0.2	0.06	3.18	0	Sig.
Consumer Preference	←	Patriotism	0.117	0.05	2.24	0.03	Sig.
Consumer Preference	←	Collectivism	0.129	0.07	1.76	0.08	Sig.
Consumer Preference	←	Xenophobia	0.138	0.05	2.68	0.01	Sig.
Consumer Preference	←	Conservatism	0.227	0.08	2.92	0	Sig.

### Assessing the Impact of Individual Predictors on the Dependent Variable

$$C.R = \frac{\text{Regression Weight}}{S.E[SK1]}$$

P=Probability of null being true

\*\*\*=very very highly fit @ 0.1 %

### Impact of Collectivism on Patriotism

$H_0$ =“*Collectivism*” is not a positive predictor of patriotism ( $\beta=0$ )  
(Regression weight is  $\beta$ )

$H_1$ =“*Collectivism*” is a significant predictor of patriotism ( $\beta \neq 0$ ).

$\alpha=0.05$  level of significance

$\beta=0.341$ ,  $P<0.001$

Hence, the null hypothesis is rejected and it is interpreted that “*Collectivism*” is a significant predictor of “*Patriotism*”, from the  $\beta$  value it can also be interpreted that when “*Collectivism*” goes up by one unit “*Patriotism*” goes up by 0.341 units.

### Impact of Xenophobia on Patriotism

$H_0$ =Xenophobia is not a positive predictor of patriotism ( $\beta=0$ )  
(Regression weight is  $\beta$ )

$H_1$ = Xenophobia is a significant predictor of patriotism ( $\beta \neq 0$ ).

$\alpha=0.05$  level of significance

$\beta=0.2$ ,  $P<0.005$

Hence, the null hypothesis is rejected and it is interpreted that “*Xenophobia*” is a significant predictor of “*Patriotism*”, from the  $\beta$  value it can also be interpreted that when “*Xenophobia*” goes up by one unit “*Patriotism*” goes up by 0.2 units.

### Impact of Patriotism on Consumer Preference

$H_0$ =Patriotism is not a positive predictor of Consumer Preference ( $\beta=0$ )  
(Regression weight is  $\beta$ )

$H_1$ = Patriotism is a significant predictor of Consumer Preference ( $\beta \neq 0$ ).

$\alpha=0.05$  level of significance

$\beta=0.117$ ,  $P < 0.001$

Hence, the null hypothesis is rejected and it is interpreted that “*Patriotism*” is a significant predictor of “*Consumer Preference*”. From the  $\beta$  value it can also be interpreted that when “*Consumer Preference*” goes up by one unit “*Patriotism*” goes up by 0.117 unit.

### Impact of Collectivism on Consumer Preference

$H_0$ = Collectivism is not a positive predictor of Consumer Preference ( $\beta=0$ )  
(Regression weight is  $\beta$ )

$H_1$ = Collectivism is a significant predictor of Consumer Preference ( $\beta \neq 0$ ).

$\alpha=0.05$  level of significance

$\beta=0.129$ ,  $P<0.005$

Hence, the null hypothesis is rejected and it is interpreted that “*Collectivism*” is a significant predictor of “*Consumer Preference*”, From the  $\beta$  value it can also be interpreted that when “*Collectivism*” goes up by one unit “*Consumer Preference*” goes up by 0.129 unit.

### Impact of Xenophobia on Consumer Preference

$H_0$ =Xenophobia is not a positive predictor of Consumer Preference ( $\beta=0$ )  
(Regression weight is  $\beta$ )

$H_1$ = Xenophobia is a significant predictor of Consumer Preference ( $\beta \neq 0$ ).

$\alpha=0.05$  level of significance

$\beta=0.138$ ,  $P<0.005$

Hence, the null hypothesis is rejected and it is interpreted that “Xenophobia” is a significant predictor of “*Consumer Preference*”, from the  $\beta$  value it can also be interpreted that when “*Xenophobia*” goes up by one unit “*Consumer Preference*” goes up by 0.138 units.

### Impact of Conservatism on Consumer Preference

$H_0$ = Conservatism is not a positive predictor of Consumer Preference ( $\beta=0$ )  
(Regression weight is  $\beta$ )

$H_1$ = Conservatism is a significant predictor of Consumer Preference ( $\beta \neq 0$ ).

$\alpha=0.05$  level of significance

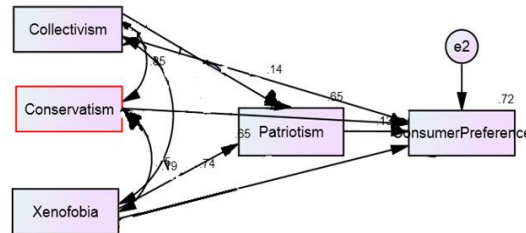
$\beta=0.227$ ,  $P<0.005$

Hence, the null hypothesis is rejected and it is interpreted that “*Conservatism*” is a significant predictor of “*Consumer Preference*”, from the  $\beta$  value it can also be interpreted that when “*Conservatism*” goes up by one unit “*Consumer Preference*” goes up by 0.227 unit.

Path	Direct effect	Indirect effect	Result
Xenophobia Consumer Preference	$\beta = 0.156$	$\beta = 0.026$	No Mediation
	P=0.007	P=0.046	
Conservatism Consumer Preference	$\beta=0.216$	$\beta=0.000$	No Mediation
	P=0.004	P= --	
Collectivism Consumer Preference	$\beta=0.135$	$\beta=0.042$	Full Mediation
	P=0.126	P=0.038	



From the Table 6 it is found that Patriotism is extremely significant with the Swadeshi Movement and, collectivism is extremely significant with patriotism, and also spiritual leaders show a significant impact on consumer preference Shavkatovna & Shavkatovna (2019). Since P value has to be less than 0.05 and as all the above factors P value is also less than 0.05 it is proved that all the factors have an impact over consumer preference. Hence the SEM model can be shown as follows in Figure 2.



**FIGURE 2**  
**SEM MODEL FOR WELLNESS SECTOR**

## FINDINGS

1. The respondents were found to be concerned about their wellbeing and hence use wellness products.
2. The majority of the respondents use the Swadeshi Brands for the products under study.
3. Yoga the cultural heritage of India is mostly believed way for wellness.
4. Most of the respondents believe that since the Swadeshi products are made by Indian manufacturers they understand the Indian consumer and their needs better than foreign manufacturers.
5. Almost all the respondents intensely agree that the Indian manufacturers are better as compared to foreign manufacturers as they understand the needs of Indian consumer better.
6. Respondents believe that if the brands that they use show some national identity (like usage of ayurvedic herbs (neem, babul, clove) in tooth paste etc. which make them prefer the product.
7. Majority of the respondents agree that if the brands that they use show some national identity (like usage of ayurvedic herbs (neem, babul, clove) in tooth paste etc. Which make them prefer the product
8. The majority of respondents accounted for Ayurvedic contents of the wellness products.
9. The majority of the respondents accounted for product attributes for the contents of advertisement. And also the majority of the respondents “Very often see the “Product contents on the product packaging.
10. The majority accounted for the Ayurvedic contents of the products.
11. The Ayurvedic contents, packing showing the Indian culture, the advertisements of the similar meaning and the packing also impact positively to purchase the Swadeshi Brands.
12. Majority accounted for the Ayurvedic contents of the products.
13. Majority of the respondents rate Ayurvedic products as excellent.
14. Traditional contents, Family custom, Spirit of Nationalism, Chemicals in the foreign products were harmful are the reasons behind purchasing Swadeshi Brands.
15. 65% are the regular users of Swadeshi brands.
16. 90.1% believe that Swadeshi Brands in Wellness Sector are better than others.
17. Consumers have been found to approach the brands often and also through all channels.

## CONCLUSION

1. People are ethnocentric so they buy the Swadeshi Brands.
2. Collectivism and conservatism is also found in the people under study.
3. Xenophobic attitude impacts for the patriotic behavior in the respondents.
4. Patriotism impacts more over consumer preference for Swadeshi brands.
5. Collectivism also impacts over preference towards Swadeshi brands.
6. Conservatism also impacts over preference towards Swadeshi brands.
7. Ethnicity means Tradition, respect towards cultural heritage impacts over preference towards Swadeshi brands.
8. Xenophobia also impacts over preference towards Swadeshi brands.
9. People are strongly ethnocentric and so have enormous affinity towards their own indigenous products.

## DISCUSSION AND SUGGESTION

Although this is 21<sup>st</sup> century and global world Indians have a strong belief in their culture and heritage. The marketing gimmicks of Swadeshi Branding have succeeded owing to the ethnocentric behavior of consumers.

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